

Message Text

CONFIDENTIAL

PAGE 01 LISBON 05980 01 OF 02 101831Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03
NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 /066 W
-----030707 102007Z /66

P R 101731Z AUG 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC PRIORITY 6670
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL OPORTO
AMEMBASSY PARIS
AMCONSUL PONTA DELGADA
USMISSION USNATO
DIA WASHDC
USNMR SHAPE BEL
COMUSFORAZ
USCINCEUR VAIHINGEN GER
AMEMBASSY BRUSSELS
AMEMBASSY ROME

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 5980

BRUSSELS ALSO FOR USEEC

E.O. 11652: XGDS-3
TAGS: PINT PO
SUBJECT: CDS VIEWS FUTURE WITH ROSE-COLORED GLASSES

REF: LISBON 5931 (DTG 091651Z AUG 78)

SUMMARY: CDS DEPUTY SECRETARY GENERAL RIBEIRO E CASTRO,
ON AUGUST 9, PAINTED AN UP-BEAT PICTURE OF POLITICAL
DEVELOPMENTS. HE SAW THE PRESIDENT'S NOMINATION OF A PRIME
MINISTER SETTING THE STAGE FOR A PRESIDENTIALLY ENDORSED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LISBON 05980 01 OF 02 101831Z

GOVERNMENT BASED ON PS AND CDS PARLIAMENTARY SUPPORT. EVEN
IF IT WERE NOT POSSIBLE FOR THE PS AND THE CDS TO REACH AN
AGREEMENT, RIBEIRO E CASTRO BELIEVED THAT NONE OF THE
POLITICAL PARTIES WOULD BE WILLING TO ATTACK THE ECONOMIC
STABILIZATION MEASURES OF A PRESIDENTIALLY ENDORSED
TRANSITION GOVERNMENT. CASTRO'S ASSESSMENT APPEARS OVERLY
OPTIMISTIC. THE OUTLOOK FOR FORMING A FIRM PARLIAMENTARY

BASE OF SUPPORT FOR A PRESIDENTIALLY-INSPIRED GOVERNMENT
DEPENDS PRIMARILY ON HOW FAR THE PRESIDENT AND THE
SOCIALIST PARTY ARE WILLING TO GO TO ACCOMMODATE EACH
OTHERS INTERESTS AND WHETHER A COMPROMISE CAN BE FOUND
ON THE QUESTION OF WHO CONTROLS THE GOVERNMENT. END SUMMARY.

1. PRESIDENTIAL GOVERNMENT WITH PS-CDS SUPPORT: CDS
DEPUTY SECRETARY GENERAL RIBEIRO E CASTRO TOLD EMBOFF
AUG 9 THAT THE PRESIDENT WAS SEEKING TO FORM A GOVERNMENT
WITH SOLID PARLIAMENTARY SUPPORT AND THE PS AND THE CDS ARE
THE ONLY LIKELY PARTNERS IN SUCH AN ACCORD. THE PRIME
MINISTER-DESIGNATE MAY CONDUCT NEGOTIATIONS WITH THE PARTIES
TO INSURE SUPPORT FOR A NEW GOVERNMENT. THE AGREEMENT BETWEEN THE PS
AND THE CDS, OR SEPARATE PS AND CDS AGREEMENTS WITH THE
PRESIDENT COULD COME EITHER BEFORE NOMINATION OF THE FULL
CABINET OR AFTER THE NEW GOVERNMENT IS IN PLACE. IN
CASTRO'S VIEW, THE SOCIALISTS HAVE ALREADY ADAPTED
CONSIDERABLY TOWARD THE POSSIBILITY OF A PRESIDENTIALLY-
INSPIRED GOVERNMENT. MARIO SOARES AND CDS PRESIDENT FREITAS
DO AMARAL HAD A PRODUCTIVE MEETING AUGUST 5 WHICH HAS BEEN
FOLLOWED BY FURTHER PS-CDS CONTACTS. THE CDS BELIEVES
THAT THE PRESIDENT'S BACKING AND MEDIATION COULD MAKE A
FUTURE PS-CDS AGREEMENT MORE SOLID AND COULD HELP RESOLVE
CONTENTIOUS ISSUES SUCH AS AGRARIAN REFORM.

2. ARGUMENTS FAVORING AN ACCORD: CASTRO CITED THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LISBON 05980 01 OF 02 101831Z

FOLLOWING EVIDENCE THAT PROSPECTS FOR A NEW PS-CDS ACCORD,
PERHAPS UNDER PRESIDENTIAL AUSPICES ARE ACTIVE:

- THE PS HAS MOVED PROGRESSIVELY TOWARD ACCEPTING THE
POSSIBILITY OF A PARLIAMENTARY AGREEMENT AFTER FORMATION
OF A PRESIDENTIAL GOVERNMENT (REFTEL).
- THE SOCIALISTS CONTINUE TO OPPOSE AN AGREEMENT WITH
THE PSD.
- THE PSD HAS SWITCHED FROM EARLY ELATION WITH THE
PROSPECT OF A PRESIDENTIAL GOVERNMENT WHICH THEY EXPECTED
TO DOMINATE TO CONCERN THAT IT WILL BE LEFT OUT OF A FUTURE
PARLIAMENTARY AGREEMENT (REFTEL).

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LISBON 05980 02 OF 02 101859Z

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03

NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 /066 W

-----030912 101958Z /66

P R 101731Z AUG 78

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 6671

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION USNATO

DIA WASHDC

USNMR SHAPE BEL

COMUSFORAZ

USCINCEUR VAIHINGEN GER

AMEMBASSY BRUSSELS

AMEMBASSY ROME

C O N F I D E N T I A L SECTION 2 OF 2 LISBON 5980

BRUSSELS ALSO FOR USEEC

3. THE BRIGHT SIDE OF A TRANSITION GOVERNMENT: CASTRO ARGUED THAT A TRANSITION GOVERNMENT WOULD BE ABLE TO IMPLEMENT MUCH PORTUGAL'S ECONOMIC STABILIZATION PLAN. MOST MEASURES DO NOT REQUIRE ASSEMBLY APPROVAL AND LEGISLATIVE CHALLENGE TO GOVERNMENT DECREES IS A SLOW AND DIFFICULT PROCESS. MOREOVER, CASTRO BELIEVED NO POLITICAL PARTY WOULD RISK CHALLENGING A PRESIDENTIALLY-BACKED TRANSITION GOVERNMENT WHEN ALL THE PARTIES HAVE ENDORSED PORTUGAL'S ECONOMIC STABILIZATION. CASTRO SAID NO PARTY WOULD WANT TO RISK ENTERING ELECTIONS AS THE PARTY IN OPPOSITION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LISBON 05980 02 OF 02 101859Z

TO THE PRESIDENT. CASTRO DID ADMIT, HOWEVER, THAT A SHORT-TERM TRANSITION GOVERNMENT MIGHT HAVE DIFFICULTY GAINING APPROVAL FOR A MEDIUMTERM ECONOMIC PLAN OR OTHER MEASURES REQUIRING LEGISLATIVE APPROVAL.

4. COMMENT: CASTRO AND MANY OTHER CDS LEADERS ARE ANXIOUS TO REACH A NEW GOVERNMENTAL AGREEMENT AND SOME WISHFUL THINKING MAY COLOR THEIR VIEW OF FUTURE PROSPECTS. THE OUTLOOK FOR FORMING A FIRM PARLIAMENTARY BASE OF SUPPORT FOR A PRESIDENTIALLY-INSPIRED GOVERNMENT DEPENDS PRIMARILY

ON HOW FAR THE PRESIDENT AND THE SOCIALIST PARTY ARE WILLING
TO GO TO ACCOMMODATE EACH OTHER'S INTERESTS.
BLOOMFIELD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 10 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LISBON05980
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X3
Errors: N/A
Expiration:
Film Number: D780328-0103
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780878/aaaacnmt.tel
Line Count: 173
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 54ce5b65-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 LISBON 5931
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1779998
Secure: OPEN
Status: NATIVE
Subject: CDS VIEWS FUTURE WITH ROSE-COLORED GLASSES
TAGS: PINT, PO, (CASTRO, RIBEIRO E)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/54ce5b65-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014